

House File 448 - Introduced

HOUSE FILE 448

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A BILL FOR

1 An Act providing a sales tax exemption for the sales price of
2 high-efficiency vehicle conversion kits.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 96. *a.* The sales price from the sale of
4 high-efficiency vehicle conversion kits.

5 *b.* For purposes of this subsection, the following terms have
6 the following meanings:

7 (1) "*Comparable conventional vehicle*" means a motor vehicle
8 of the same make, model year, weight, size, and intended use
9 that has not been converted to a high-efficiency vehicle.

10 (2) "*Conversion kit*" means the tangible personal property
11 and directly related installation services necessary for the
12 conversion of a conventional motor vehicle to a high-efficiency
13 vehicle.

14 (3) "*Fuel economy*" means the average fuel economy of
15 a vehicle, as computed by the United States environmental
16 protection agency pursuant to 40 C.F.R. pt. 600.

17 (4) "*High-efficiency vehicle*" means a motor vehicle capable
18 of being powered entirely by an onboard source of electricity
19 that when operational provides at least seventy-five percent
20 more fuel economy than a comparable conventional vehicle.

21 EXPLANATION

22 This bill provides a sales tax exemption for the sales price
23 of high-efficiency vehicle conversion kits.

24 The bill defines certain terms for purposes of the
25 exemption. More specifically, the bill provides that
26 a "conversion kit" includes both the property and the
27 installation services necessary for converting conventional
28 vehicles and that a "high-efficiency vehicle" is a motor
29 vehicle capable of being powered entirely by an onboard source
30 of electricity that when operational provides at least 75
31 percent more fuel economy than a comparable conventional
32 vehicle.

33 By operation of Code section 423.6, an item exempt from the
34 imposition of the sales tax is also exempt from the use tax
35 imposed in Code section 423.5.